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Korea, Republic of

Grain and Feed

Update

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Report Highlights: Increased food wheat prices and the recent FMD outbreak have reduced prospects for food wheat and corn imports in MY 2002/03.

Includes PSD changes: Yes
Includes Trade Matrix: Yes
Unscheduled Report
Seoul [KS1], KS

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SITUATION

WHEAT

The estimate of MY 2002/03 wheat imports has been reduced by 100,000 MT to 3.6 million metric tons (MMT). Reduced prospects for wheat imports reflect increased milling wheat prices from traditional exporting countries. However, feed wheat imports are still expected to reach the levels projected on earlier estimates because Korean feed millers have already made buying contracts for 900,000 MT of feed wheat with expected delivery to occur during the first nine months (July 2002 - March 2003) of MY 2002.

CORN

The estimate for Korea's corn imports in 2002/03 has been revised down to 8.7 MMT due to the slow consumption of both industrial and feed corn. Korea's outbreak of foot and mouth disease (FMD) first reported in May 2002 has reversed the previously expected expansion of the compound feed industry. One of the primary impacts of the FMD outbreak was to reduce demand for compound feed from swine producers whose export prospects to Japan were sharply reduced.

Biotech-related concerns (including Starlink and labeling) which retarded growth of the Korea's corn processing industry from October 2001 - July 2002 are expected to continue to dim prospects for growth of the corn processing industry in MY 2002/03.

As of the end of August 2002, Korean feed millers have secured feed corn mainly from China destined for arrival through March 2003. However, feed millers reportedly purchased U.S. and South American corn for delivery in July - September 2002 in order to supplement the poor quality of Chinese corn. As a result, the market share of U.S. corn in Korea will be limited to around 23 - 24 percent of total imports for both MY 2001 and MY 2002.

STATISTICAL TABLES

PSD for Wheat

PSD Table						
Country	Korea, Republic of					
Commodity	Wheat				(1000 HA)(1000 MT)	
	Revised	2000	Preliminary	2001	Forecast	2002
	Old	New	Old	New	Old	New
Market Year Begin		07/2000		07/2001		07/2002
Area Harvested	1	1	2	1	0	1
Beginning Stocks	1050	721	1050	529	950	620
Production	5	2	5	3	0	3
TOTAL Mkt. Yr. Imports	3127	3101	4300	3867	0	3600
Jul-Jun Imports	3127	3101	4300	3867	0	3600
Jul-Jun Import U.S.	0	1320	0	1295	0	1300
TOTAL SUPPLY	4182	3824	5355	4399	950	4223
TOTAL Mkt. Yr. Exports	128	0	100	0	0	0
Jul-Jun Exports	128	0	100	0	0	0
Feed Dom. Consumption	689	820	2000	1415	0	1200
TOTAL Dom. Consumption	3004	3295	4305	3779	0	3600
Ending Stocks	1050	529	950	620	0	623
TOTAL DISTRIBUTION	4182	3824	5355	4399	0	4223

Import Matrix

Import Trade Matrix			
Country	Korea, Republic of		
Commodity	Wheat		
Time period	July/June	Units:	1,000MT
Imports for:	2000		2001
U.S.	1320	U.S.	1295
Others		Others	
Australia	1087	Australia	975
Canada	302	Canada	295
India	297	India	206
EU	22	Eastern Europe	496
China	66	China	592
Total for Others	1774		2564
Others not Listed	7		5
Grand Total	3101		3864

Korea: Wheat Import (1,000 MT, Customs Cleared Basis)			
Marketing Year (July/June)	Feed	Flour	Total
95/96	272	2,235	2,507
96/97	1,197	2,253	3,450
97/98	1,717	2,200	3,917
98/99	2,453	2,237	4,690
99/00	1,304	2,479	3,783
00/01	691	2,410	3,101
01/02	1,498	2,369	3,867
02/03 a/	1,200	2,400	3,600

a/ Agricultural Affairs' forecast

Source: Korea Customs Service

Wheat Use Estimates

Korea: Post Estimates of Wheat Use (1,000 MT, July/June)				
Year	1999/00	2000/01	2001/02	2002/03 a/
Milling Wheat	2,363	2,475	2,366	2,400
Feed Wheat	1,302	820	1,415	1,200
Total	3,665	3,295	3,779	3,600

a/ Agricultural Affairs's forecast

Source: Korean Feed Association (KFA)

Korean Flour Millers Industry Association (KOFMIA)

PSD for Corn

PSD Table						
Country	Korea, Republic of					
Commodity	Corn				(1000 HA)(1000 MT)	
	Revised	2000	Preliminary	2001	Forecast	2002
	Old	New	Old	New	Old	New
Market Year Begin		10/2000		10/2001		10/2002
Area Harvested	20	16	20	14	0	14
Beginning Stocks	853	1246	776	1417	606	1217
Production	80	64	80	60	0	60
TOTAL Mkt. Yr. Imports	8743	8723	6700	8500	0	8700
Oct-Sep Imports	8743	8723	6700	8500	0	8700
Oct-Sep Import U.S.	0	3289	0	2060	0	2000
TOTAL SUPPLY	9676	10033	7556	9977	606	9977
TOTAL Mkt. Yr. Exports	0	0	0	0	0	0
Oct-Sep Exports	0	0	0	0	0	0
Feed Dom. Consumption	7100	6460	5150	6600	0	6500
TOTAL Dom. Consumption	8900	8616	6950	8760	0	8760
Ending Stocks	776	1417	606	1217	0	1217
TOTAL DISTRIBUTION	9676	10033	7556	9977	0	9977

Import Matrix

Korea: Corn Import (1,000MT, Customs Cleared Basis)							
Marketing Year	From World			From the U. S.			U. S. Share
	Feed	Ind.	Total	Feed	Ind.	Total	%
93/94	4,049	1,647	5,696	199	181	380	7
94/95	6,463	1,760	8,223	6,192	1,420	7,612	93
95/96	7,166	1,797	8,963	6,855	1,699	8,554	95
96/97	6,455	1,881	8,336	3,869	1,629	5,498	66
97/98	5,755	1,773	7,528	1,610	1,699	3,309	44
98/99	5,593	1,921	7,514	4,543	1,891	6,434	86
99/00	6,618	2,060	8,678	1,610	1,620	3,230	37
00/01	6,568	2,155	8,723	2,169	1,120	3,289	38
01/02 a/	6,400	2,100	8,500	2,000	60	2,060	24
02/03 b/	6,500	2,200	8,700	2,000	0	2,000	23

a/ Agricultural Affairs' forecast based on the 9 months import data of Korea Customs Service.

b/ Agricultural Affairs' forecast.

Source: Agricultural Affairs

KOREA: MY2001/02 Corn Import per Country (1,000MT, Customs Cleared Basis)						
Month	U. S.	China	Argentina	Brazil	Other	Total
Oct., 2001	422	96	54	216	1	789
Nov.	198	122	77	198	0	595
Dec.	133	79	74	406	0	692
Jan., 2002	156	158	110	289	0	713
Feb.	120	385	7	198	0	710
Mar.	62	574	0	145	0	781
Apr.	143	394	0	125	0	662
May.	39	229	354	167	2	791
Jun.	89	272	222	88	2	673
Jul.	na	na	na	na	na	na
Aug.	na	na	na	na	na	na
Sep.	na	na	na	na	na	na
Total	1,362	2,309	898	1,832	5	6,406
Feed	1,304	2,147	840	520	1	4,812
Industrial	58	162	58	1,312	4	1,594

Corn Utilization

Korea: Total Corn Utilization (Oct./Sept., 1,000 MT)				
Marketing Year	Feed	Processing	Food	Total
1996/97	6,296	1,928	60	8,284
1997/98	5,875	1,715	83	7,673
1998/99	5,560	1,886	80	7,526
1999/00	6,541	2,004	79	8,624
2000/01	6,460	2,092	64	8,616
2001/02 a/	6,600	2,100	60	8,760
2002/03 a/	6,500	2,200	60	8,760

a/ Agricultural Affairs forecast.

Source: Korean Feed Association (KFA)

Korea Corn Processing Industry Association(KOCPIA)

Feed Tables

Korea: Feed Ingredient Use for Compound Feed Production (October/September, 1,000 MT)			
Items	MY 2000/01	MY 2001/02 a/	MY 2002/03 a/
Sub. Total Grains and Grain Substitutes	9,754	10,300	10,200
- Wheat	894	1,500	1,200
- Corn	6,460	6,600	6,500
- Rye	143	100	200
- Other Grains and Grain Substitute	2,257	2,100	2,300
Others	5,097	4,900	5,000
Grand Total	14,851	15,200	15,200

a/ Agricultural Affairs forecast.

Source: Korea Feed Association (KFA)

Korea: Feed Production per Animal (October/September, 1,000 MT)			
Animal Type	MY2000/01	MY2001/02 a/	MY2002/03 a/
Poultry	3,894	4,000	4,100
Swine	5,457	5,800	5,600
Cattle	4,706	4,400	4,300
Others	757	1,000	1,200
Total	14,814	15,200	15,200

a/ Agricultural Affairs forecast

Source: Korea Feed Association (KFA)